**Behavioral Health: Potential Integration Models**

In 2011, the Department of Health and Mental Hygiene (Department) worked with stakeholders and engaged a consultant to examine the issue of behavioral health integration. The consultant identified two potential models to better align the full array of behavioral health services with somatic (physical health) services. The next step is for the Department to engage all interested stakeholders in a process to determine the specific model the Department will recommend to the General Assembly during the 2013 legislative session.

The two models identified in the consultant's report, along with a new option, are presented below. These three models will serve as the starting point. Early in the public stakeholder process, the Department will seek input on whether any other viable model should be added for consideration.

Model 1: Protected Carve-In (recommended in consultant report)

Medicaid-financed behavioral health benefits would be managed by Medicaid managed care organizations (MCOs) through a "protected carve-in". The MCOs would be responsible for managing a comprehensive benefit package of general medical and behavioral services. MCOs would receive a separate, dedicated behavioral health capitation payment that only could be spent on behavioral health treatment and recovery supports. Any savings related to behavioral health services would be re-directed to additional, innovative behavioral health benefits. Contractual conditions would require the MCOs to employ specific behavioral health practitioners in clinical leadership positions, would specify the credentials of staff who performed behavioral health utilization management, and would put the MCOs at risk for demonstrating that they were assuring access to the behavioral health benefit. This model would protect funds spent on behavioral health treatment but would allow the MCOs to have flexibility in how they structured care coordination, utilization management, etc. Contractual conditions would require uniform processes for providers (e.g. claims payment, credentialing) and streamlined administrative systems. Specific behavioral health performance standards would allow the State to evaluate access, adequacy of the provider network, treatment quality, and outcomes for cohorts of enrollees, e.g. adults with serious mental illness, youth with complex needs, etc.

Model 2: Risk-Based Service Carve-Out (presented in consultant report)

Medicaid-financed specialty behavioral health benefits and the State/block grant-funded benefit package would be managed through a risk-based contract with one or more Behavioral Health Organizations (BHO). Using a competitive selection process, Medicaid would contract with one or more BHO(s) that would bear insurance and/or performance risk. Contractual conditions would be aligned with those of the Medicaid MCOs; performance standards would be robust; and performance risk would be shared with MCOs for continued implementation of health homes for persons with behavioral health conditions, as well as health homes for persons with chronic medical conditions and for improvement in health outcomes for persons enrolled in health homes. The services delivered through the BHO(s) would be specialty behavioral health services. MCOs would continue to provide specified behavioral health care typically associated with primary care providers.

Model 3: Risk-Based Population Carve-Out (new)

As in Model 1, all Medicaid-financed behavioral health benefits and general medical benefits would be delivered under a comprehensive risk-based arrangement. In this model, however, Medicaid would

competitively select one or more specialty health plan(s) to manage the comprehensive benefit package for individuals with serious behavioral health disorders. That is, enrollment in the specialty health plan would be determined by whether the individual has a specified behavioral health diagnosis, such as SPMI. If such a diagnosis is present, the person would be enrolled in a specialty health plan, which would be required to deliver the full array of behavioral health and medical benefits. If such a diagnosis is not present, the person would be enrolled in a traditional MCO to receive his/her full array of behavioral health and general medical benefits.